

TOWNSHIP OF MAPLE GROVE
SAGINAW COUNTY

FINANCIAL STATEMENTS

MARCH 31, 2008

Auditing Procedures Report V1.04

[Reset Form](#)[Email](#)

Issued under Public Act 2 of 1968, as amended.

Unit Name	MAPLE GROVE	County	SAGINAW	Type	TOWNSHIP	MuniCode	73-1-170
Opinion Date-Use Calendar	Jun 16, 2008	Audit Submitted-Use Calendar		Fiscal Year-Use Drop List		2006	

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 421,660.19
General Fund Expenditure:	\$ 586,078.34
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 467,383.79
Governmental Activities Long-Term Debt (see instructions):	

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	LORI	Last Name	CHANT	Ten Digit License Number	1101020651		
CPA Street Address	217 N. WASHINGTON	City	OWOSSO	State MI	Zip Code 48867	Telephone	+1 (989) 723-8227
CPA Firm Name	DEMIS & WENZLICK, P.C.	Unit's Street Address	17010 LINCOLN	City	NEW LOTHROP	LU Zip	48460

MAPLE GROVE TOWNSHIP
SAGINAW COUNTY, MICHIGAN
MARCH 31, 2008

ELECTED OFFICIALS

Kevin M. Krupp..... Supervisor
Richard J. Maxa Clerk
Cheryl L. Bishop..... Treasurer
Dale W. Drexler..... Trustee
Douglas Birchmeier..... Trustee

MAPLE GROVE TOWNSHIP

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DEMIS and WENZLICK, P.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Maple Grove Township
Saginaw County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Maple Grove Township as of and for the year then ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Maple Grove Township as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedules as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section and the other supplemental information, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Dennis and Wengler, P.C.

Certified Public Accountants

June 16, 2008

MANAGEMENT'S DISCUSSION
AND ANALYSIS

MAPLE GROVE TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Maple Grove Township's (the Township's) financial performance and position, providing an overview of the activities for the year ended March 31, 2008. This analysis should be read in conjunction with the Independent Auditors Report and with the Township's financial statements, which follow this section. The fiscal year ended March 31, 2008 represents the first year the Township has reported under the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended by GASB Statement No. 37 Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments – Omnibus and Statement No. 38, Certain Financial Statement Note Disclosures. Therefore, this discussion and analysis does not provide comparisons with previous years.

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by approximately \$881,000 (net assets). Of this amount, approximately \$467,000 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by approximately \$126,000 for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and additional information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes).

MAPLE GROVE TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes, special assessments and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, health and welfare, community and economic development, culture and recreational and other functions.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information and for the special revenue funds in the additional information to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

MAPLE GROVE TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 through 23 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's general fund and special revenue budget. Required supplementary information can be found on pages 24 through 29 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities by \$881,000 at the close of the most recent fiscal year.

The Township's investment in capital assets (e.g., land, building, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding, equals 47% of the Township's overall net assets. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the Township does not have any outstanding debt.

MAPLE GROVE TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Township as a Whole

The following table shows, in a condensed format, the net assets of the Township as of March 31, 2008.

Current Assets	\$ 485,090
Capital Assets	<u>413,996</u>
Total Assets	\$ 899,086
Current Liabilities	<u>\$ 17,707</u>
Total Liabilities	<u>\$ 17,707</u>
Net Assets	<u>\$ 881,379</u>

The following table shows the change in net assets for the year ended March 31, 2008.

Program Revenues	
Charges for Services	\$ 11,820
General Revenues	
State Shared Revenues	180,510
Property Tax/Administration Fee	87,562
Special Assessments	103,554
Metro Act Funds	4,051
Interest	11,610
Other General Revenues	<u>22,553</u>
Total Revenues	<u>\$ 421,660</u>
Program Expenses	
General Government	\$ 117,623
Public Safety (Fire)	58,134
Public Works	106,351
Community/Economic Development	439
Health & Welfare	5,461
Recreation & Cultural	<u>7,833</u>
Total Expenses	<u>\$ 295,841</u>
Change in Net Assets	<u>\$ 125,819</u>

MAPLE GROVE TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Township's Funds

Governmental funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The analysis of the Township's governmental funds begins on page 4 following the government-wide financial statements. The fund financial statements provide detailed information about all the general government funds. Maple Grove Township's Board of Trustees has the ability to create funds to help manage money for specific purposes as well as to show accountability for certain activities, such as property tax millages and special assessments.

The General Fund pays for the Township's governmental services. The General Fund paid \$66,558 for road maintenance during the year.

General Fund Budgetary Highlights

Over the course of the fiscal year, the Township Board made necessary budget adjustments to fund unanticipated expenditures during the year and to re allocate expenses across different governmental activities. Overall, the Township had an overall favorable budget to actual variance of \$132,581.

Capital Assets

At the end of the fiscal year, the Township had approximately \$1,183,729 (valued at historical cost) in assets which includes building, land, land improvements, furniture, equipment, fire equipment, fire vehicles, office equipment and software. Accumulated depreciation recorded for the general township assets was \$769,733.

MAPLE GROVE TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Current Economic Factors

Maple Grove Township's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Township has a conservative and financially prudent budget for the fiscal year 2008 that also promotes and funds numerous project objectives.

The Township has deliberately made conservative estimates concerning state revenue sharing for fiscal year 2008 due to the budget constraints at the State level. It has also estimated investment earnings conservatively anticipating a slow increase in interest rates.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township offices at 17010 Lincoln Road, New Lothrop, Michigan 48460-9621.

**BASIC
FINANCIAL STATEMENTS**

MAPLE GROVE TOWNSHIP
SAGINAW COUNTY, MICHIGAN
GOVERNMENT – WIDE
STATEMENT OF NET ASSETS
MARCH 31, 2008

	<u>Governmental Activities</u>
Assets	
Cash and Investments	\$ 446,932
Receivables (Within One Year)	37,874
Due from other funds	284
Capital assets not being depreciated	25,780
Capital assets being depreciated, net	<u>388,216</u>
TOTAL ASSETS	<u>\$ 899,086</u>
Liabilities	
Accounts Payable	<u>\$ 17,707</u>
TOTAL LIABILITIES	<u>\$ 17,707</u>
Net Assets	
Invested in Capital Assets (Net of Related Debt)	\$ 413,996
Unrestricted	<u>467,383</u>
TOTAL NET ASSETS	<u>\$ 881,379</u>

The accompanying notes are an integral part of these financial statements.

MAPLE GROVE TOWNSHIP
SAGINAW COUNTY, MICHIGAN
GOVERNMENT - WIDE
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

Functions/programs	Expenses	Program Revenue	Net (expenses) Revenue and Changes in Net Assets
		Charges for Services	Total Governmental Activities
Primary government:			
Governmental activities:			
General government	\$ 117,623		\$ (117,623)
Public safety	58,134	\$ 11,820	(46,314)
Public works	106,351		(106,351)
Health and welfare	5,461		(5,461)
Community and economic development	439		(439)
Culture and recreational	7,833		(7,833)
Total governmental activities	<u>\$ 295,841</u>	<u>\$ 11,820</u>	<u>\$ (284,021)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purpose			\$ 87,562
Special Assessments			103,554
State revenue sharing			180,510
Investment earnings			11,611
Rentals and other			26,603
Total general revenues			<u>\$ 409,840</u>
Change in net assets			125,819
Net assets, beginning of year			<u>\$ 755,560</u>
Net assets, end of year			\$ 881,379

The accompanying notes are an integral part of these financial statements

MAPLE GROVE TOWNSHIP
SAGINAW COUNTY, MICHIGAN
GOVERNMENTAL FUND BALANCE SHEET
MARCH 31, 2008

ASSETS

Cash in Bank	\$ 446,932
Cash Equivalent	
Taxes Receivable	9,510
Due from State	28,364
Due from Other Funds	284
TOTAL ASSETS	<u>\$ 485,090</u>

LIABILITIES

Accounts Payable	<u>\$ 17,707</u>
TOTAL LIABILITIES	\$ 17,707

GENERAL FUND BALANCE	<u>467,383</u>
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TOTAL LIABILITIES AND GENERAL FUND BALANCE	<u>\$ 485,090</u>
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The accompanying notes are an integral part of these financial statements.

MAPLE GROVE TOWNSHIP
SAGINAW COUNTY, MICHIGAN
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
MARCH 31, 2008

Fund Balances – Total Governmental Funds	\$ 467,383
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Amounts reported for governmental activities in the statement
of net assets are different because:

Capital Assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Add: Capital Assets	\$ 1,183,729
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Deduct: Accumulated Depreciation	<u>(769,733)</u>
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Net Assets of Governmental Activities	<u>\$ 881,379</u>
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The accompanying notes are an integral part of these financial statements.

MAPLE GROVE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	General Fund
Revenues	
Taxes and Penalties	\$ 62,417
Licenses and Permits	11,820
Tax Administration Fee	25,145
Shared Revenues	180,510
Special Assessment	103,554
Cable Franchise	6,908
Interest and Rentals	18,596
Other Revenue	<u>12,710</u>
Total Revenues	<u>\$ 421,660</u>
Expenditures	
Current	
General Government	\$ 114,216
Public Safety	46,365
Public Works	165,627
Health and Welfare	5,461
Recreation and Cultural	7,833
Community and Economic Development	439
Capital Outlay	<u>246,138</u>
Total Expenditures	<u>\$ 586,079</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (164,419)
Fund Balance – April 1, 2007	<u>631,802</u>
Fund Balance – March 31, 2008	<u>\$ 467,383</u>

The accompanying notes are an integral part of these financial statements

MAPLE GROVE TOWNSHIP
 SAGINAW COUNTY, MICHIGAN
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 2008

Net change in fund balances – total governmental funds	\$ (164,419)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: Capital outlay	309,054
Deduct: Depreciation expense	<u>(18,816)</u>

Repayment of installment purchase agreement principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. Principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Change in net assets of governmental activities	<u>\$ 125,819</u>
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The accompanying notes are an integral part of these financial statements

MAPLE GROVE TOWNSHIP
SAGINAW COUNTY, MICHIGAN
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
MARCH 31, 2008

ASSETS

Cash in Bank	<u>\$ 284</u>
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TOTAL ASSETS	<u>\$ 284</u>
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LIABILITIES

Due to Other Funds	<u>\$ 284</u>
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TOTAL LIABILITIES	<u>\$ 284</u>
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FUND BALANCE	<u>\$ 0</u>
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TOTAL LIABILITIES & FUND BALANCE	<u>\$ 284</u>
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The accompanying notes are an integral part of these financial statements

MAPLE GROVE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The accounting policies of Maple Grove Township conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

A. REPORTING ENTITY

Maple Grove Township is governed by an elected five member board.

The accompanying financial statements present the Township's primary government and component units over which the Township exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township Component Units that do not meet the criteria for blending are reported discretely.

There are no component units that are reported in the Township's financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants who purchase, use or directly benefit from goods, or privilege provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenue are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter excluded from the governmental-wide financial statements. Major individual governmental funds and the major enterprise funds are reported in separate columns in the fund financial statements.

MAPLE GROVE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures relating to compensated absences, claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Fund – The Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms “nonexpendable” and “expendable” refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

MAPLE GROVE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Investments – The Township has defined cash and cash equivalents to include cash on hand, demand deposits and short-term investments with a maturity of 3 months or less when acquired.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds” activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds”. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Prepaid Items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets – Certain revenue bonds of the Enterprise Funds require amounts to be set aside for bond reserve. These amounts have been classified as restricted investments.

Capital Assets – Capital assets, which include property, plant, equipment, infrastructure asset (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Township began recording governmental infrastructure constructed on or after July 1, 2003 as followed by GASB 34:

Property, Plant and Equipment is depreciated using the straight line method over the following useful lives.

Land Improvements	10 to 20 years
Building and Building Improvements.....	25 to 40 years
Utility Systems	25 to 40 years
Roads	25 years
Other Infrastructure	20 to 40 years
Vehicles	5 to 10 years
Machinery and Equipment.....	5 to 10 years

Long-Term Obligation – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

MAPLE GROVE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPENSATED ABSENCES

The Township does not pay sick or vacation time for its employees.

F. POST EMPLOYMENT HEALTH-CARE BENEFITS (COBRA BENEFITS)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA) the Township makes health care benefits available to former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. There are no participants in this program as of March 31, 2008.

G. RETIREE BENEFITS

The Township does not have health insurance coverage for its employees; therefore, there are no post employment health care benefits.

H. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenue or expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund as a reduction of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

J. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is not utilized in the governmental funds. Encumbrances outstanding at year end are not reported as reservations of fund balances and also not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

MAPLE GROVE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE 2 – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency, or instrumentality, of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated one bank for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

The Township's deposits at March 31, 2008 consisted of cash and certificated of deposit at one financial institution.

<u>Institution</u>	<u>Amount</u>	<u>FDIC Insured</u>	<u>Uninsured</u>
<u>A</u>			
Demand Deposits	\$ 4,854	\$ 4,854	\$
Time Deposits	442,078	100,000	342,078
	<u>\$ 446,932</u>	<u>\$ 104,854</u>	<u>\$ 342,078</u>

NOTE 3 – PROPERTY TAX

Taxes levied on December 1, are payable on February 14. The Township bills and collects its own property taxes and also taxes for the county and local school districts. Taxes levied on July 1, are payable on August 31. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

The Township is permitted by the Municipal Finance Law of the state to levy taxes up to 1 mill for general governmental services, .8689 mill is levied for general services and \$25 per developed parcel is levied for ambulance service.

The delinquent real property taxes of the Township normally are purchased by the County of Saginaw. The county sells tax notes, the proceeds of which are used to pay the Township for these delinquent taxes. These delinquent taxes have been recorded as revenue for the current year.

MAPLE GROVE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE 4 – CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	Balance 03-31-07	Increases	Decreases	Balance 03-31-08
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ 25,780	\$	\$	\$ 25,780
Capital Assets being Depreciated:				
Building and Improvements	324,995			324,995
Office Equipment/Other	70,735			70,735
Infrastructure	71,143	64,497		135,640
Fire Vehicles	259,623	241,637		501,260
Fire Equipment	122,399	2,920		125,319
CAPITAL ASSETS BEING DEPRECIATED	\$ 848,895	\$ 309,054	\$	\$ 1,157,949
LESS ACCUMULATED DEPRECIATION FOR:				
Buildings and Improvement	\$ 324,995	\$	\$	\$ 324,995
Office Equipment	52,311	3,407		55,718
Infrastructure	2,288	5,221		7,509
Fire Vehicles	259,624	8,054		267,678
Fire Equipment	111,699	2,134		113,833
ACCUMULATED DEPRECIATION	\$ 750,917	\$ 18,816	\$	\$ 769,733
Net Capital Assets being Depreciated	97,978	290,238		388,216
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 123,758	\$ 290,238	\$	\$ 413,996

MAPLE GROVE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE 5 – RISK MANAGEMENT

The Township participates in a pool, The Michigan Township Participation Plan, with other municipalities for various risks of loss including employer's liability, errors and omissions, and property and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. The Township has no liability for additional assessments based on the claims filed against the pool nor do they have any rights to dividends.

The Township also maintains commercial insurance coverage for workers' compensation.

NOTE 6 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adapted to the activity level.

During the year ended March 31, 2008, the Township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
Township Board:			
Office Supplies / Misc.	\$ 1,550	\$ 2,209	\$ 659
Supervisor:			
Salaries	7,300	7,600	300
Other	300	340	40
Clerk:			
Other	300	391	91
Treasurer:			
Printing/Publishing	5,000	6,150	1,150
Assessor:			
Salaries	7,200	7,400	200
Board of Review:			
Salaries	800	918	118
Other	150	497	347
Elections:			
Salaries	1,600	1,757	157
Supplies	2,100	2,190	90
Other	150	309	159

MAPLE GROVE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE 7 – PENSION

The Township maintains a discretionary pension plan for elected officials. The Township contributed \$2,957 during the year ended March 31, 2008.

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 284	Tax Fund	\$ 284
	<u>\$ 284</u>		<u>\$ 284</u>

REQUIRED SUPPLEMENTARY INFORMATION

MAPLE GROVE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 83,400	\$ 83,400	\$ 62,417	\$ (20,983)
Charges for Services	102,970	102,970	103,554	584
State Shared Revenues	180,000	180,000	180,510	510
Tax Admin. Fees	24,600	24,600	25,145	545
Interest Income	2,600	2,600	11,611	9,011
Rent Income	9,500	9,500	6,985	(2,515)
Other Revenues	8,700	8,700	12,710	4,010
Cable TV			6,908	6,908
Permits	11,600	11,600	11,820	220
TOTAL REVENUES	\$ 423,370	\$ 423,370	\$ 421,660	\$ (1,710)
EXPENDITURES				
Twp Board:				
Salaries	\$ 9,600	\$ 9,600	\$ 9,141	\$ 459
Telephone	2,200	2,200	2,176	24
Dues/Seminars	2,500	2,500	1,923	577
Transportation	1,000	1,000	840	160
Printing & Publishing	1,500	1,500	835	665
Office Supplies/Misc	1,550	1,550	2,209	(659)
Worker's Comp	3,200	1,200	1,032	168
Insurance	25,000	25,350	25,338	12
Pension	3,000	3,000	2,957	43
TOTAL TWP. BOARD	\$ 49,550	\$ 47,900	\$ 46,451	\$ 1,449
Supervisor:				
Salaries	\$ 7,300	\$ 7,300	\$ 7,600	\$ (300)
Summer Tax Collection	300	300		300
Other	300	300	340	(40)
TOTAL SUPERVISOR	\$ 7,900	\$ 7,900	\$ 7,940	\$ (40)

The accompanying notes are an integral part of these financial statements.

MAPLE GROVE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
EXPENDITURES				
Clerk:				
Salaries	\$ 6,000	\$ 6,000	\$ 6,000	\$
Deputy	700	700	700	
Pension				
Other	300	300	391	(91)
TOTAL CLERK	\$ 7,000	\$ 7,000	\$ 7,091	\$ (91)
Trustee:				
Salaries	\$ 3,400	\$ 3,400	\$ 3,400	\$
Other	300	300		300
TOTAL TRUSTEE	\$ 3,700	\$ 3,700	\$ 3,400	\$ 300
Treasurer:				
Salaries	\$ 5,700	\$ 5,700	\$ 5,700	\$
Deputy Treasurer	1,200	1,200	1,200	
Summer Tax Collection	2,000	2,000	2,000	
Printing/Publishing	5,000	5,000	6,150	(1,150)
TOTAL TREASURER	\$ 13,900	\$ 13,900	\$ 15,050	\$ (1,150)
Assessor:				
Salaries	\$ 7,200	\$ 7,200	\$ 7,400	\$ (200)
Printing	1,500	1,500	455	1,045
TOTAL ASSESSOR	\$ 8,700	\$ 8,700	\$ 7,855	\$ 845
Board of Review:				
Salaries	\$ 800	\$ 800	\$ 918	\$ (118)
Other	150	150	497	(347)
TOTAL BOARD OF REV.	\$ 950	\$ 950	\$ 1,415	\$ (465)
Elections:				
Salaries	\$ 1,600	\$ 1,600	\$ 1,757	\$ (157)
Supplies	1,400	2,100	2,190	(90)
Other	150	150	309	(159)
TOTAL ELECTIONS	\$ 3,150	\$ 3,850	\$ 4,256	\$ (406)

The accompanying notes are an integral part of these financial statements.

MAPLE GROVE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
EXPENDITURES				
Hall & Grounds:				
Supplies	\$ 500	\$ 500	\$ 406	\$ 94
Custodial Services	2,750	2,750	2,750	
Utilities	8,000	8,000	6,960	1,040
Repairs & Maintenance	6,000	6,000	1,288	4,712
TOTAL HALL & GROUNDS	\$ 17,250	\$ 17,250	\$ 11,404	\$ 5,846
Other General Gov't:				
Payroll	\$ 6,000	\$ 6,000	\$ 4,631	\$ 1,369
Audit	3,000	3,550	3,510	40
Insurance				
Attorney	1,000	1,000		1,000
Street Lights	3,150	3,150	3,040	110
Refuse Collection	100,000	100,000	95,104	4,896
Drain Maintenance	1,000	1,000		1,000
Township Office	1,000	1,000		1,000
Public Safety/Police	16,200	16,600	755	15,845
Drains at Large	1,000	1,000	925	75
TOTAL OTHER GENERAL GOVERNMENT	\$ 132,350	\$ 133,300	\$ 107,965	\$ 25,335

The accompanying notes are an integral part of these financial statements.

MAPLE GROVE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
EXPENDITURES				
Fire Protection:				
Salary Chief	\$ 1,700	\$ 1,700	\$ 1,700	\$
Salary Deputy	1,800	1,800	1,800	
Supplies/Dues	2,000	2,000	1,579	421
Fuel	2,600	2,600	2,428	172
Fire Run Fees	3,000	3,000	3,000	
Telephone	1,500	1,500	1,441	59
Communications	4,500	4,500	3,623	877
Training	1,200	1,200	180	1,020
Insurance	900	900		900
Utilities	3,000	3,000	2,997	3
Repairs & Maintenance	14,500	14,500	11,383	3,117
Capital Outlay	12,700	12,700	1,389	11,311
Capital Outlay – Fire Truck	241,000	241,000	246,138	(5,138)
Other – Mileage	600	600	600	
TOTAL FIRE PROTECTION	\$ 291,000	\$ 291,000	\$ 278,258	\$ 12,742
Inspections:				
Permit Refunds	\$ 4,200	\$ 4,200	\$ 4,030	\$ 170
Other	250	250	175	75
Building	5,000	5,000	5,060	(60)
Electrical	2,200	2,200	1,470	730
Mechanical	1,700	1,700	740	960
Plumbing	1,000	1,000	590	410
Septic	500	500	225	275
Ordinance Enforcement			1,200	(1,200)
TOTAL INSPECTIONS	\$ 14,850	\$ 14,850	\$ 13,490	\$ 1,360

The accompanying notes are an integral part of these financial statements.

MAPLE GROVE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
EXPENDITURES				
Planning/Zoning:				
Planning Commission	\$ 1,200	\$ 1,200	\$ 439	\$ 761
Zoning Administrator	1,200	1,200		1,200
Plan Review/Land Div.	1,200	1,200		1,200
Other	150	150		150
Board of Appeals	100	100		100
TOTAL PLANNING/ZONING	\$ 3,850	\$ 3,850	\$ 439	\$ 3,411
Parks & Recreation:				
Contract Services	\$ 3,000	\$ 3,000	\$ 800	\$ 2,200
Park Manager	700	700	700	
Utilities	250	250	218	32
Supplies/Repairs	3,150	3,150	5,015	(1,865)
Repairs & Maintenance				
Capital Outlay – Equipment				
5 Year Plan	2,500	2,500	1,100	1,400
TOTAL PARKS & RECREATION	\$ 9,600	\$ 9,600	\$ 7,833	\$ 1,767
Cemetery:				
Salaries	\$ 1,100	\$ 1,100	\$ 750	\$ 350
Supplies	500	500	463	37
TOTAL CEMETERY	\$ 1,600	\$ 1,600	\$ 1,213	\$ 387
Health & Welfare:				
Health Click	\$ 600	\$ 600	\$ 661	\$ (61)
Ambulance	30,000	30,000	4,800	25,200
TOTAL HEALTH & WELFARE	\$ 30,600	\$ 30,600	\$ 5,461	\$ 25,139

The accompanying notes are an integral part of these financial statements.

MAPLE GROVE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget Positive (Negative)</u>
EXPENDITURES				
GIS	\$ 1,500	\$ 1,500	\$	\$ 1,500
Roads & Bridges	122,920	122,920	66,558	56,362
TOTAL EXPENDITURES	<u>\$ 720,370</u>	<u>\$ 720,370</u>	<u>\$ 586,079</u>	<u>\$ 134,291</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (297,000)</u>	<u>\$ (297,000)</u>	<u>\$ (164,419)</u>	<u>\$ 132,581</u>
Fund Balance April 1			<u>631,802</u>	
FUND BALANCE MARCH 31			<u>\$ 467,383</u>	

The accompanying notes are an integral part of the financial statements.



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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June 16, 2008

Members of the Township Board
Township of Maple Grove
Saginaw County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Maple Grove for the year ended March 31, 2008.

BUDGET

The Michigan Public Act 621 of 1978 includes compliance requirements in budgeting. Total expenditures cannot exceed total budgeted revenues plus beginning fund balance. Expenditures should be reviewed periodically and the budget amended before incurring any expense which would exceed the budgeted amounts.

We wish to thank the council for the excellent cooperation we received in performing the Township audit. If we can be of any further assistance to the Township on these matters, or any future matters, please do not hesitate to contact us.

Sincerely yours,

Demis and Wenzlick, P.C.

Demis and Wenzlick, PC
Certified Public Accountants